



## EBT WIRELESS PROJECT January 09 Newsletter



DHS

### From the Editor – Jan Walters

Total Transactions	EBT Transactions	Total Sales on Wireless
January 08 345	18 (5.2% of total)	\$14,753
February 358	14 (3.9% of total)	\$15,376
March 451	15 (3.5% of total)	\$23,780
April 453	15 (3% of total)	\$30,646
May 2542	190 (7.5% of total)	\$101,772
June 3024	435 (14.4% of total)	\$78,667
July 3619	810 (22.3% of total)	\$52,103
Aug 4363	1083 (25% of total)	\$67,664
Sept 4650	924 (20% of total)	\$96,733
October 5224	668 (12.8% of total)	\$131,884
November 1306	58 (4.4% of total)	\$53,317
December 08 1366	27 (2% of total)	\$58,007
<b>2008 Total 27,701</b>	<b>4257 (15.4% of total)</b>	<b>\$724,703</b>

2008 was another successful year for the EBT Wireless Project. December 08 sales were 32.7% higher than December 07. Although the number of EBT transactions for 2008 were less than 2007 (4257 compared to 4457), the amount of EBT sales were higher in 2008 compared to 2007 (\$41,845 compared to \$39,733). This shows that the average EBT transaction increased in 2008 to \$9.83 from \$8.91 in 2007.

Total sales for 2008 was \$724,703 compared to \$516,290 for 2007, which is a 40% increase over the previous year.

Then grand total of all sales from June 2005 – December 2008 is \$1,471,380. Total EBT sales for this same period of time are \$101,525.

*(Note: due to an error in a formula, the 08 numbers and the program year-to-date totals have changed slightly.)*

**Tracy and Jan have moved offices. Our phone numbers are the same but we now work on the 5<sup>th</sup> Floor of the Hoover Building. Our new fax number is 515-281-7791.**

### Impact of Budget Reduction

By now, you know that state government is undergoing a second round of budget cuts and there may be more cuts in the future. Due to the seriousness of the situation and downturn in the economy, there will be some changes to the EBT Wireless Project. Even with the changes we need to make, let us assure you that we will maintain the underlying integrity of the project, which is to provide greater access to fresh, locally grown produce and other Iowa products to

low income Iowans. We will all need to work together and think how we can accomplish our goal in different ways.

- 1) Our travel budget has been greatly reduced. Therefore, Jan and Tracy will have to limit travel across the state to do farmer training or attend annual market meetings in 2009. To accommodate this change, we will try to do training over the telephone with individual farmers, when possible. If you need a re-fresher session before the market season begins, don't hesitate to call us. We want you to be confident in how to use the equipment. If the phone training doesn't work, we will explore other options with you.
- 2) If you decide to drop out of the Wireless Project, it is essential that the equipment and signs be returned to DHS. We want to use these for new farmers who sign up for the project. Since we are unable to travel, we will be notifying you where to drop off the equipment and signs. We are going to use the DHS County offices as drop off sites, as staff from those offices travel to Des Moines and have graciously offered to deliver the equipment and signs to us.
- 3) No advertising in FY 2009 or FY 2010. As you know, we terminated the radio and newspaper ads for farmers markets effective 8-1-08. Although, advertising is important and a key way to promote the use of EBT benefits at farmers' markets, it is not critical. We will still make posters for DHS offices, as we can make those in-house. The list of markets that you attend will also be on the DHS website.
- 4) No plastic shopping bags will be distributed in 2009. Again, these are a great promotional tool, but not a necessity. Be sure you take advantage of the free bags from Iowa Farm Bureau.

The good news is that we will continue to provide paper and battery supplies as they are essential to the use of the wireless equipment. However, we would ask that you take special care of the equipment and cords. Store the wireless device in the original box. Do not store it in your truck during the hot or cold months. If the wireless device is not working properly or a cord breaks off in the machine, call Tracy or Jan right away so we can resolve the problem.

Thank you for your understanding and help during these difficult times. If you have any budget saving ideas, please give us a call.

## **Fees, Fees & More Fees**

Two letters or emails were sent to you this month. One was regarding the PCI Compliance Fee and the other letter addressed a new service from Total Merchant Services (TMS). Here is a summary of those letters:

**PCI Compliance Fee-** PCI means Payment Card Industry. TMS passed along a \$69 one-time compliance fee to all their merchants. TMS mailed you information about this fee with the November statement. You should have received that statement the end of November. The PCI fee appeared on your December statement and was deducted from your bank account around 1-1-09. Processors, who transmit credit card transactions had to improve their networks/system to ensure protection of customer data, such as credit card numbers. Companies upgraded firewalls, software and hardware. Some processors passed these costs on to their merchants. Because the PCI fee is related only to credit transactions, it is not a cost that we can reimburse you for. Like you, DHS was surprised to learn about the fee. DHS has written a request to Total Merchant Services asking them to re-consider charging you this PCI fee. **Because of the public service you provide by accepting EBT, most of you have moderate to low sales volume, and the fact that the number of Food Assistance households are at a all-time high, we've asked TMS if they will refund you the \$69 PCI fee.** As soon as we hear from TMS on this issue, we will

**send out an email/letter.** Unfortunately, with the state of the current economy, these additional fees caused a hardship for some of you. Some of you had overdraft fees because of the PCI fee. We deeply regret that these problems occurred.

*(FYI: We did receive a call from one of you, who reported that they had contacted TMS about an overdraft fee. The individual had been in the hospital during December and had not read the statement about the PCI fee. He politely explained the situation and TMS agreed to refund the overdraft fee to the farmer.)*

PCI is very important to understand. Those of you who hand-key credit card numbers, do phone sales, internet sales, have an obligation to make sure that the credit card number is properly secured or destroyed once you do not need that number any longer. For example: You need to shred the information versus throwing it in the trash where someone could find the information. Please refer to the TMS website [www.compliancefacts.com](http://www.compliancefacts.com) to learn more about protecting customer information.

**Merchant Advantage/Online Advantage Program Fee** - Information about this fee appeared on your December statement. These fees are \$9.95 or \$4.95 per month. It is an extra level of service that TMS is going to offer. **Because our Wireless Project is unique and we have special arrangements with TMS, TMS decided to exclude you from this fee. TMS is going to automatically opt you out of the service, as this would be a duplication of what we're already receiving from TMS.** These fees will not be charged to your account.

These two issues have shown us that it is important to carefully review your monthly statement from Global/TMS. We've asked TMS to share any information about fees, etc to DHS in advance so we can research the situation and do some problem solving on your behalf. If you have any questions on fees, reimbursements, you can always contact Tracy or Jan.

*Because of these two issues, a few farmers have dropped from the EBT Wireless Project. When these type of situations arise, we hope that you will call us and allow us to work through the situation before deciding to quit taking EBT and giving up your wireless device. Each of you are important to the EBT Wireless Project and provide a needed service to low income Iowans. Yet, with the current economy, the increased cost of inputs, and the uncontrollable weather, we realize that each new fee means that you have sell more products or increase your prices to make up the difference. We want to assure you that we are going the extra mile on your behalf.*

## Upcoming Events

**Iowa Fruit & Vegetable Growers & Marketers Conference** - will be held January 29-31, 2009 at the Sheraton Hotel in West Des Moines, IA. Check out their website for additional information. [www.iafruitvegetablegrowers.org](http://www.iafruitvegetablegrowers.org) Tracy and Jan will be attending this conference. Be sure to look us up and say hello.

**DHS Fourth Annual Farmers' Market Meeting** – Due to the lack of funds this year and low response from participating farmers, we will not be holding an annual meeting this year.

## Getting Ready for Spring!

With the seed catalogs stacking up on your counters, many of you are thinking about what to plant for the 2009 market season and what markets you are going to sell your products at. As you make those decisions, be sure to let us know so we can update the DHS website and farmers

market brochure. This information is shared with the public and recipients of the Food Assistance program. We will print the brochures and send them to the county DHS offices for distribution. Our goal is to print the brochure by May 15th. If you don't contact us, your customers may not be able to find you at the right market.

## Openings for New Farmers

In examining total sales for the past two years, there were some farmers with very low sales. We talked to those farmers and discussed their unique situations. Several farmers felt that their circumstances were not going to change, so we came to a mutual decision to terminate their involvement with the EBT Wireless Project. When we look at total sales, we also consider access for the Food Assistance population. If a farmer only sells at a small rural market, their total sales are probably lower compared to a farmer selling in Davenport, IA City, Des Moines, etc. But, if that one farmer is the only vendor who can accept EBT at that market, we want to work that the individual to try to boost sales in order to keep access for low-income families. Bottom line, there is no specific sale amount that you need to participate in the Wireless Project.

Now, with all that said, we have several opening for new vendors. If you are aware of neighbors or other vendors who would benefit from participating in this project, please let us know or email them a copy of this newsletter or make a copy of this newsletter and give it to them.

## Penalty Fees For Early Cancellation

Now that we are going into our fourth year, we have learned some lessons along the way. We've had several farmers sign up in the past two years that ended up dropping out of the wireless project a short time later. Exempting those who had medical reasons, we still had too many who ended up moving, selling the business or deciding not to sell at farmers' markets any longer after a short time in the program.

It takes a lot of work on our part and yours to complete the enrollment process and conduct training. For the past two years, the agent we have been working with has waived the penalty fee of \$295. The penalty is assessed for dropping out of the program prior to the end of the first year (12 consecutive months).

You are responsible for the penalty fee. This is explained in the bank agreement that you signed. **This penalty only applies if you are using a 'free' Nurit device and decide to drop out of the wireless program prior to end of a 12 month period.** We will not be able to leave the machine active and continue to pay monthly fees if you have decided not to sell at farmers' market any longer or have closed your business.

*If you are using a purchased device or a rental device, the penalty fee for early cancellation does not apply.*

Example: Farmer A begins using a 'Free' wireless device on May 1, 2008. On December 1, 2008, the farmer reports that he will no longer be selling at farmers markets. DHS will shut down the account effective for December. The farmer will be responsible for the \$295 early cancellation fee.

Example: Farmer B begins using a 'Free' wireless device on May 1, 2008. On November 1, 2009, farmer would like to close his account. In this situation, there is no penalty as the device was active for more than 12 consecutive months.

Example: Farmer C starts using 'Free' wireless device on May 1, 2007. The farmer requested to close his account only for the winter, effective November 1, 2008. The account is closed for the season, with no penalty fee. The account is re-opened May 1, 2009. The farmer calls November 1, 2009 and wants to close the account for the winter. In this situation, we cannot close the account as it was re-opened in May 1, 2009 and it has not been re-opened for 12 months. If the account were closed November 1, 2009, the farmer would be responsible for the \$295 penalty fee.

## **Important Information on Turning Off Your Machine!**

When you decide to turn off your wireless machines for the winter or for good it is extremely important that you contact Tracy first, not Total Merchant Services (TMS). The EBT Wireless Program is a special program and therefore the closure forms HAVE to come through us. If you contact TMS directly, you may incur the \$295 early termination fee. We have had two farmers go directly to TMS and one of the farmers even sent the State of Iowa owned equipment back to TMS and it cannot be retrieved. The same farmer also threw away our signs. Because of these actions, the farmer has been billed for the loss State of Iowa equipment. If you have any questions on this issue, please contact Tracy.

## **Reminders:**

1. Since we have so many new farmers, remember that you cannot ring up a sale for another vendor. You could lose your Food Stamp certification and be terminated from the Wireless Project.
2. Since you are paying for the commercial transaction fees, be sure to keep track of what you are paying so you can use those expenses as a tax deduction.
3. You cannot set a minimum purchase amount. If an EBT household wishes to purchase \$.50 in onions, you do need to process the transaction. Same for any debit or credit transaction.
4. If your machine quits working, be sure to call Jan or Tracy right away! Or if need help during the weekend, you can call the 800 phone number on the side of your machine.
5. Let us know if you need any supplies such as paper rolls, power cords, or battery.
6. The second battery that we provide to you was purchased by DHS. If you ever need to return your wireless machine, be sure to keep one battery, carrying case and signs. We will pick them up from you.
7. **Charge your batteries before market.** You should always have a charged battery, ready to go for market. If a battery is not holding a charge, contact Tracy for a replacement.
10. Please make sure to keep the original box that your machine came in as it contains the Sim card, which is needed to identify your machine if you have to call TMS.

## **Help Desk**

**We are here to help you!**

**When you have questions about:**

- **Participating in the Wireless project or reimbursement questions? Call Tracy Penick at 515-281-5545 or Jan Walters at 515-281-3588.**
- **What you can sell to EBT customers, or being authorized to accept EBT? Call FNS at 515-284-4035.**
- **Food Assistance eligibility? Call Char Hansen at 515-281-6820.**

